




STATE OF DELAWARE
PUBLIC SERVICE COMMISSION
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MEMORANDUM

TO: The Chairman and Commissioners

FROM: Lisa B. Driggins, Public Utilities Analyst 

DATE: July 23, 2019

SUBJECT: IN THE MATTER OF THE APPLICATION OF ARTESIAN WATER COMPANY, INC., FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO PROVIDE WATER SERVICES PURSUANT TO 26 DEL. C. § 203C (FILED SEPTEMBER 8, 2009 AND AMENDED DECEMBER 4, 2009)
PSC DOCKET NO. 09-CPCN-33 ("SUSSEX 0709")

IN THE MATTER OF THE APPLICATION OF ARTESIAN WATER COMPANY, INC., TO ABANDON UNDER 26 DEL. C. § 203A(d) WATER SERVICES PROVIDED UNDER A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY (FILED JULY 17, 2019)
PSC DOCKET NO. 19-0453

Artesian Water Company, Inc. ("AWC" or "Company") is a utility company providing water services for public use that is subject to the regulatory jurisdiction of the Delaware Public Service Commission ("Commission"). On December 22, 2009, the Commission granted via Order No. 7696 AWC's application for a Certificate of Public Convenience and Necessity ("CPCN") for water services for one parcel of land located east of Milton and thirty-one parcels of land distributed in Ellendale, Sussex County, Delaware ("Proposed Service Area"). On July 17, 2019, AWC filed an application ("Application") with the Commission seeking to partially abandon or discontinue its CPCN for water operations or services by removing eighteen parcels of land from its CPCN, specifically Sussex County Tax Map Parcel Numbers (the "Parcels"):

Tax Parcel Nos.:	230-26.00-30.00	230-31.00-40.10	230-31.00-143.00
	230-26.00-42.00	230-31.00-42.00	230-31.00-147.00
	230-26.00-63.00	230-31.00-61.00	230-31.00-147.01

230-26.00-127.00	230-31.00-69.00	230-31.00-147.02
230-31.00-40.05	230-31.00-141.00	230-31.00-147.03
230-31.00-40.06	230-31.00-142.00	230-31.00-160.00

Subsequent to the CPCN being granted in Docket No. 09-CPCN-33, Tax Parcel No. 230-31.00-40.05 was subdivided to create a second parcel, Tax Parcel No. 230-31.00-40.12. Because Artesian does not lose its CPCN rights and obligations when a property has been subdivided, the Company also included Tax Parcel No. 230-31.00-40.12 in its abandonment request. If the Commission grants the Application, AWC retain a CPCN for all of the other parcels that are within the existing CPCN.

Delaware law provides that no public utility shall abandon or discontinue, in whole or in part, any regulated public utility business, operations or services provided under a certificate of public convenience and necessity without first having received Commission approval for such abandonment or discontinuance. 26 *Del. C.* §203A(d)(1). Such applications must be made to the Commission in writing, verified by oath or affirmation, and be in such form and contain such information as the Commission may from time to time require. 26 *Del. C.* §203A(d)(2). Finally, the Commission must approve any such application when it finds that the utility has met its burden of proving that the abandonment or discontinuance is reasonable, necessary and not unduly disruptive to the present or future public convenience and necessity. 26 *Del. C.* §203A(d)(3).

Staff reviewed the Application for abandonment and found it complies with all Delaware statutory and regulatory requirements. The Company provided a verified Application that requests to abandon a portion of the CPCN relating to water service for the Parcels. Staff believes the abandonment is reasonable because AWC currently does not supply water services to the Parcels. The abandonment is necessary because Sussex County (the "County") passed Resolution No. R 015 18, establishing the Ellendale Water District ("Water District"), allowing the County to take the necessary steps to provide safe reliable drinking water to Town residents. In addition, AWC and the Town of Ellendale (the "Town") entered into a Water Service Agreement whereby AWC will sell water to the County which can then provide water service to the Town. Hence, as part of the Agreement, AWC agreed to abandon certain tax parcels to allow the County to obtain the CPCN rights for the Water District. Finally, the abandonment will not be unduly disruptive to the present convenience and necessity because no existing AWC customers are located within the tax parcels to be abandoned. If the Commission grants the Application's request, the abandonment would not be unduly disruptive to the future convenience and necessity because future customers would not be impeded (in general) from receiving water services from another public utility.

Therefore, Staff recommends that the Commission grant AWC's request to partially abandon its CPCN.

Artesian Water Company, Inc.
Docket No. 19-0453 "09-CPCN-33 Abandonment"
August 6, 2019

